

REMARKS

Claims 30, 32-34, 36-44, 46-50, and 52-56 remain in this application. Claims 1-29, 31, 35, 45, 51, and 57-61 were previously canceled. Claims 30, 34, 37, and 48 have been amended.

Before addressing the merits of the rejections based on prior art, Applicant provides the following brief summary of the claimed invention. The invention generally relates to a system and method for video content distribution and billing that utilizes a portable electronic storage device configured to uniquely interface, via a physical connector incompatible with industry standard devices, with an interactive kiosk and a set-top box. The use of connectors incompatible with industry standard devices protects the digital video content by preventing the digital storage device from mating with standard electronic devices. Further, unlike the prior art, the invention makes it possible to store both the video content and the customer's view / usage data on a portable storage device configured to manually interface with kiosks. This allows the customer to select and view desired video content and pay for use of the video content upon returning to the kiosk. In particular, the user may be billed for only those portions of the video content that have been viewed and may be billed for the number of times video content has been viewed, as determined by the view / usage data written directly to the portable storage device. In one embodiment, illustrated in Fig. 1A, a customer 108 accesses a publicly accessible kiosk 102 and loads video content onto the portable video content storage device 104. See page 9, lines 3-14.

The user 108 accesses the video content by manually attaching or inserting the storage device 104 into a compatibly configured set-top box 106 that plays the video content over a television set 110. The set-top box further comprises a physical connector that is incompatible with industry standards, thereby assuring that the storage device is usable only with the set-top box and not with industry standard devices. The set-top box 106 accumulates and stores data relating to the user's use of or viewing of the video content directly on the storage device 104. See pages 9-10; Claims 30, 37,

48. The view / usage data is read upon a subsequent return to the kiosk 102 so that the user 108 can be appropriately charged. By storing view / usage data on the portable content storage device 104 and transferring the use data to the kiosk 102 upon a subsequent visit to the kiosk, it is possible to charge customers on a pay-per-view basis for only those portions of the content that are viewed without the need for a separate communication link with the customer such as a telephone line between a billing office and the customer's home. In particular, because usage data is recorded directly on the storage device, there is no need for the user to contact a service provider or financial institution to pay for and unlock video content before being able to view it. Similarly, in contrast to systems of the prior art, the user can access video content even when a network communication system is not functional. See page 9, lines 3-14; Claims 30, 32-34, 36.

The portable storage device 104 is capable of storing video data of at least MPEG-2 quality and is preferably sized to store several movie-length digital video files. See page 10, lines 14-19; Claim 30. As further illustrated in Fig. 3A, the portable storage device 312 protects against unauthorized access to the data stored thereon by employing a security module 308 to digitally encode data stored in the non-volatile memory 306 and a custom connector 310 that is incompatible with industry standard connectors. See page 3, lines 1-2; page 11, lines 20-29; page 12, lines 12-15; Claims 30, 33, 34, 37, 48.

The portable video storage device 312 is configured to be accessed only by a compatible kiosk 102 and a compatible set-top box 106 (see Fig. 1A). It is important to note that the controller 304 inside of storage device 312 controls the memory 306, and the memory 306 is compatible with the controller 304 but is incompatible with industry standard controllers (see Fig. 3A). This further limits access to the content stored on the storage device for security purposes. See page 11, lines 30-31; page 12, lines 1-6; Claims 30, 34, 37, 48.

The invention further comprises a kiosk 402, illustrated in Fig. 4, and preferably located in a public place such as a supermarket or shopping mall. The user manually inserts the portable storage device 104 into a slot 424 in the kiosk, causing it to mate with a connector 354 that is compatible with the portable storage device 104 but incompatible with industry standard connectors. See Claims 30, 34, 37. In one embodiment, the user interacts with the kiosk via a touch screen display interface 414, although additional user interfaces may be used. A processor 406 inside the kiosk controls a system bus 412 that communicates with a storage device controller 426 adapted to read and write video data and view / usage data to and from the portable storage device 104. A content mass storage module 422 stores video data that may be encrypted to prevent unauthorized access. The mass storage module 422 preferably stores dozens of movie-length video programs within the kiosk. Using the touch screen display 414, the user is able to transfer video data from the content mass storage module 422 to the portable storage device 104. Video view / usage data is transferred from the portable storage device 104 to the kiosk system memory 408, and system software 432 operates to calculate payment amounts based on the user's view / usage data. In particular, the user will be charged for only those portions of the video content that have been viewed and for the number of times those portions have been viewed. The kiosk is adapted to include a bill and coin collector 418, and / or a credit card reader 416 to accept user payments. Security of the video content data and the view / usage data is ensured by a combination of data encryption and the use of an electrical connector 345 that is incompatible with industry standards. See pages 18-19; page 21, lines 11-15, 24-29; Claims 30, 33-34, 36-38, 48-50.

The invention further comprises a set-top box 106 adapted to interface with the portable storage device 104 to play video content on a television set 110 or similar device. See Fig. 1A. Like the kiosk, the set-top box includes a connector that is compatible with the portable storage device but incompatible with industry standard connectors. See Claim 48. Fig. 8 illustrates the process by which a user may view the

video content using the set-top box and the portable storage device. At step 802, the user inserts the portable storage device into the set-top box, causing it to electrically and mechanically mate with a custom connector that is incompatible with industry standard connectors. Video content is then read from the storage device at steps 806, 812, and 814 and presented to the user via a television or similar device. Usage and viewing data is then written back to the portable storage device at step 816, and the storage device is released from the set top box at step 818. See page 26, lines 18-25; page 28, lines 23-31; page 29, lines 1-28; Claims 30, 34, 48-49, 53.

Each of the foregoing elements of the invention is advantageous for securely distributing video content, for allowing a user to be billed based on actual use without the need for a separate data connection between the user's home and the video distributor, and for displaying the video content on a user's television or similar device at a time of the user's choosing. As further discussed below, the above-described elements are not suggested or disclosed by the prior art.

Rejections Based on Prior Art

The Examiner rejected Claims 30, 32-34, 36-44, 46-50, and 52-56 under 35 U.S.C. § 103(a) as unpatentable over Lewis in view of Flannery and further in view of Ginter. Applicant respectfully traverses these rejections.

In the prior office action, the Examiner combined Lewis with Stafford, which was directed to BIOS ROM memory devices for personal computers. In response to the Applicant's arguments that Stafford was not analogous prior art, the Examiner withdrew that reference and replaced it with Flannery. However, Flannery is similarly inappropriate in that it is also not analogous prior art. In determining obviousness under § 103, the prior art must be evaluated to determine (1) whether the art is from the same field of endeavor, or (2) if not within the inventor's field of endeavor, is still pertinent to the particular problem the inventor is trying to solve. *In re Clay*, 966 F.2d 656, 659 (Fed. Cir. 1992). A determination that prior art is analogous "begins the inquiry into

whether a skilled artisan would have been motivated to combine references by defining the prior art relevant for the obviousness determination, and that it is meant to defend against hindsight." *In re Kahn*, 441 F.3d 977, 987 (Fed. Cir. 2006). Indeed, if the reference is "directed to a different purpose, the inventor would accordingly have had less motivation to consider it." *Clay*, 966 F.2d at 659-660.

Flannery is directed to a removable floppy disk drive (FDD) that can be interfaced with a laptop computer. In particular, Flannery is directed at providing a more compact package for the FDD such that a user can easily carry it with him when he desires to have both floppy disk and compact disk functionality with a laptop computer. *Flannery*, 3:5-23.

By contrast, the present application is directed to a portable digital storage device for transporting video content in a secure manner from a public kiosk to a set-top box connected to a television in the user's home. A particular problem the present invention seeks to address is preventing unauthorized access to the storage device. Accordingly, it is equipped with a non-industry-standard memory controller and non-industry standard connectors to prevent the stored content from being accessed by a standard device. The system of Flannery has nothing to do with the secure storage and transport of video data. In particular, an FDD is not a storage device. It is merely an interface for connecting to a particular storage device, namely, an industry-standard floppy disk. Flannery never addresses the subject of data security or even data storage, and it is thus not directed to the same field of endeavor as the present application nor is it directed to solving a similar problem. Flannery is thus not analogous prior art, and the Examiner's reliance on it is inappropriate for at least this reason.

Even if Flannery were analogous prior art, it does not, in combination with Lewis and Ginter, disclose or suggest all of the elements of the independent claims. In particular, the Examiner relies on Flannery for a disclosure of proprietary connectors. In the present application, all of the independent claims recite connectors that are incompatible with industry-standard devices in order to "substantially prevent the

content-use data and the stored video content from being accessed by an industry-standard computer system.” See Claim 30 and similar language in the other independent claims. Flannery discloses embodiments of an FDD that include standard 25-pin D connectors for mating with a variety of laptop computers. *Flannery* 4:27-60. In fact, Flannery’s goal is to provide compatibility with as many systems as possible, rather than limiting access, as in the present application. As something of an afterthought, Flannery makes a statement, cited by the Examiner, that “[t]he use of other interfaces, including proprietary ones, to externally couple the drive to ports designed to interface a peripheral device to the computer will be apparent to those skilled in the art.” *Flannery*, 6:38-41. Again, Flannery’s goal in this disclosure is to extend compatibility of the FDD device and not to limit access to stored data. In fact, there is no data to protect at all in the system of Flannery because an FDD is not a storage device but merely a peripheral that can interface to a removable industry-standard floppy disk storage device. Thus, even if Flannery’s disclosure of a proprietary connector were directed at limiting access to the FDD, it would do nothing to safeguard data stored on a floppy disk because the interface of a floppy disk to the FDD is standard. Thus, the combination of references fails to disclose or suggest a system “wherein the first, second and third connectors are incompatible with industry standard computer systems to substantially prevent the content-use data and the stored video content from being accessed by an industry-standard computer system,” as recited in Claim 30. The combination similarly fails to disclose or suggest a system “wherein the first physical connector incompatible with industry standard computer systems substantially prevents unauthorized access to the digitally encoded video content by industry standard computer systems,” as recited in Claim 34. The combination similarly fails to disclose or suggest, “the physical connector is configured to be uniquely compatible with the kiosk but incompatible with industry standard electronic system and devices for accessing video content such that that the content-use data and the video content substantially cannot be accessed by an industry-standard system,” as recited in

Claim 37, or “wherein the first and second connectors substantially prevent an industry standard device from accessing the video content,” as recited in Claim 48. The rejection of Claims 30, 34, 37, and 48 is thus improper for at least this reason and should be withdrawn. Inasmuch as the other claims in the application all depend from Claims 30, 34, 37, or 48, their rejections are similarly improper and should be withdrawn.

In addition, the Examiner admits that the combination of Lewis and Flannery fails to disclose billing a user according to a scheme that calculates “a usage fee based on at least the number of times and the portions of the securely stored video content that are accessed,” as recited in Claim 30. The Examiner proposes to add Ginter to make up for this deficiency.

As an initial matter, the Examiner fails to present an adequate motivation to combine the proposed references. In particular, the present application distinguishes systems of the prior art that require the user to maintain a telephonic or network connection with a service provider in order to pay fees and unlock content, at least because such systems fail when the user cannot connect to the network. See page 9, lines 3-14. Yet this is precisely the type of pay-per-view system that is disclosed by Ginter. *Ginter*, Abstract; ¶¶ 2-9. As this type of system is criticized in the present application, one skilled in the art would not be motivated to look to Ginter to achieve the present invention. The combination is improper for at least this reason.

Even if Ginter were a proper reference, the proposed combination fails to disclose “the set-top box further configured to accumulate content use data and to store the accumulated content use data directly onto the storage device, wherein the content use data comprises at least a number of times the securely stored video content is accessed and portions of the securely stored video content that are accessed,” and the system “further adapted to calculate a usage fee based on at least the number of times and the portions of the securely stored video content that are accessed,” as recited by Claim 30, and similar limitations in the other independent claims.

While Ginter makes a single statement that a "broadcaster of a television program 102a may require appliance 100's protected processing environment 154 to meter, with an electronic usage metering mechanism 116, how much of video program 102a the consumers 95 watch, and which video programs they watch," (*Ginter* ¶282), it does not disclose a usage fee based on "the portions of the securely stored video content that are accessed," as required by Claim 30. Rather, this data collected by the system of Ginter may be used to "send reports to other market researchers 312 for scientific, marketing or other research." *Ginter* ¶382. Thus, the proposed combination at least fails to disclose this element of Claim 30, or similar elements of Claims 34, 37, and 48, and the rejection of these claims is inappropriate and should be withdrawn. Inasmuch as all of the other claims depend from Claims 30, 34, 37, and 48, their rejection is also improper and should be withdrawn.

In view of the foregoing, the Applicants respectfully submit that Claims 30, 32-34, 36-44, 46-50, and 52-56 are in condition for allowance. Reconsideration and withdrawal of the rejections is respectfully requested, and a timely Notice of Allowability is solicited.

To the extent it would be helpful to placing this application in condition for allowance, the Applicants encourage the Examiner to contact the undersigned counsel and conduct a telephonic interview.

To the extent necessary, Applicants petition the Commissioner for a three-month extension of time, extending to June 23, 2009, the period for response to the Office Action dated December 23, 2008. The Commissioner is authorized to charge \$960. for the three-month extension of time pursuant to 37 CFR §1.17(a)(3) (\$555.) and for request for continued examination (RCE) pursuant to 37 CFR § 1.17(e) (\$405.), and any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 50-0639.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'B. Berliner', is written over a horizontal line.

Brian M. Berliner
Attorney for Applicants
Registration No. 34,549

Date: June 23, 2009

O'MELVENY & MYERS LLP
400 South Hope Street
Los Angeles, CA 90071-2899
Telephone: (213) 430-6000